



Bear Paw Development Corporation of Northern Montana

EXHIBIT 5
DATE 3-5-07
HB 805

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Executive

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Paul C. Tuss

Admin.

Assistant:

Jenny Morse

Deputy Director:

Annmarie Robinson

Loan Officer:

Sylvia D. Murray

Loan Technician:

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Planner:

Craig Erickson

Small Business

Development

Center:

Joe LaPlante

Value Added

Agriculture

Coordinator:

Brandi Beecher

March 3, 2007

House Appropriations Committee
Montana House of Representatives
State Capitol
Helena, MT 59620

Dear Appropriations Committee Members:

Bear Paw Development Corporation has been actively involved in Montana's economic and community development arena for almost 40 years. During that time, we have been fortunate to partner with the private sector to help create or retain over 1,000 jobs, leverage limited local government funding into more than \$100 million in infrastructure financing and instilled hope and optimism in the rural population of our five-county region of northern Montana.

Our close association with the Montana Department of Commerce has allowed us to be successful by utilizing the various programs they administer. Our organization is exceedingly concerned about the significant reductions in funding that are included in House Bill 805 from the amounts originally proposed for Commerce programs in House Bill 2.

While Bear Paw Development opposes what we consider to be unwise cuts to solid, economy-enhancing programs administered by the Department of Commerce, we are particularly concerned about the proposed reduction in funding in the following areas:

- **New Worker Training Funds.** The \$4 million reduction is projected to result in more than 1,000 fewer jobs being created and over \$80 million in leveraged funds being lost, primarily from private sector equity investments and loan funds.
- **Community Technical Assistance Program.** Elimination of re-establishing this critical service for local governments throughout Montana will mean longer delays in properly planning for sub-divisions, annexations and other land-use issues. It will also hamper local efforts to establish Growth Policies to appropriately accommodate expected changes in the services the public sector will need to provide to residents and businesses in the future as populations shift and grow.

- **Tribal Economic Development.** A strong economic development partnership between the State of Montana and tribal governments is critical if we are sincere about working together to bring opportunity to those areas of our state most in need of job creation, community investment and economic diversification. The \$400,000 in cuts would adversely impact the ability of tribal governments to leverage state funds to invest in those projects most appropriate for the specific economic development needs of each tribal entity.

In order for Montana's economy to continue to grow, a true, working partnership between our state's private sector and state government must exist. The budget as originally presented in House Bill 2 was a positive step toward continuing and even expanding on the good work the State of Montana is engaged in for purposes of job growth, community vitality and business expansion. Unfortunately, House Bill 805 in its present form does not include this same financial commitment.

I strongly urge the Committee to restore the serious cuts that have been made to the budget of the Montana Department of Commerce. Doing so will enhance the State of Montana's ability to continue to work with the private sector to grow our economy.

Thank you for considering these comments.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Paul Tuss", with a stylized, flowing script.

Paul Tuss
Executive Director